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DIARY NOTES

DD/A 


20 January 1955

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1. Met with Messrs. Houston, Reynolds, and Lloyd, and with [REDACTED] Office of Communications, to discuss the payment of tuition for dependents of Communications employees in [REDACTED]. Mr. Reynolds had taken the position that such payment was impossible, despite the General Counsel's insistence that it was legally permissible. After some discussion Mr. Reynolds agreed to modify his position and asked Mr. Houston to give him a brief memorandum which would support the legality of this action. Presumably the matter is settled and tuition will now be paid.

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2. Mr. Lloyd and I attended the DD/P Staff Meeting at which I spoke to the senior staff and division chiefs concerning the merger of the Offices of the DD/A and the COA/DDP. The reception, I thought, was certainly not hostile and I believe that my comments served a very useful purpose in laying to rest any rumors that the DD/A is moving in to take over, etc. 

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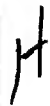
3. Lunched in the Director's Dining Room with Major General Jake Smart of the Far East Air Force.

4. Gates Lloyd and I were briefed by [REDACTED] and Jim Garrison on the


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5. Larry Houston telephoned to say that the agreement with the [REDACTED] was ready to be transmitted. I told him that I would be glad to raise it with the Director at the Deputies' Meeting but that Dick [REDACTED] might be in a better position to do it since he was more familiar with the problem involved. 

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6. Pete Strobel, Commissioner of Public Buildings, telephoned to say that on further examination he had decided that it would be better from GSA's point of view for CIA to construct a building with a direct appropriation rather than on a lease-purchase basis. I have transmitted this to Ed Saunders and have asked him to inform the Bureau of the Budget. 

7. [REDACTED] wants to undertake the project (which is badly needed) of bringing up to date the index of Agency Regulations. He said that he could bor-

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row three people for two and one-half months if I could assure him that he could have the money to pay for them; I told him to go ahead.

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8. Talked to Harry Reynolds about the "one-grade promotion" problem, explaining that my Office Heads were very unhappy about the Office of Personnel applying the rules of a Regulation that had not been approved or published yet. Harry was very upset and I arranged to have [REDACTED] brief him on the weaknesses of this Regulation. He called me later in the day and if I understood him correctly he told me that his people would not apply this Regulation anymore until it had been approved. H

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9. Harry protested to me concerning General [REDACTED] reluctance to supply auditors to audit the Federal Credit Union. I told him that as I understood the situation the Federal Credit Union required a much more detailed audit for its own protection than General [REDACTED] would normally do for the protection of the Agency but that I not only approved but would insist that General [REDACTED] do that which was necessary to protect the Agency; however, it seemed to me that anything over and above that should be paid for out of profits made by the Federal Credit Union which I had reason to believe were substantial. H

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10. I gave Harry Reynolds a cable from our [REDACTED] which protested the nonpayment of tuition for dependent children there by the Agency. He said that he would look into the matter.

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11. I asked [REDACTED] to do what he could to expedite [REDACTED] request for a Table of Vehicular Allowances at the [REDACTED]

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12. I also asked Ted to do what he could to expedite the agreement with the [REDACTED]

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13. [REDACTED] Colonel Miller's desire to look into the Director's fund, after which [REDACTED] was asked to tell Colonel Miller that [REDACTED] would be delighted to show him this fund at any time. Emmett advised me later that Colonel Miller indicated that he might not look at it. 25X1A9a

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14. Larry Houston briefed me further on the situation involving [REDACTED] [REDACTED] It appears now that in order to avoid publicity in the case it may be necessary for the Agency to underwrite this transaction to the tune of about one-half a million dollars. Financial risk appears to be negligible; however, it does not change the indication that extremely bad judgment has been used in this case and that this financial hassle has been going on for more than thirty days without being brought to anyone's attention here. It also emphasizes the necessity of exercising greater control over this operation if it is to continue. H

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15. [REDACTED] telephoned to advise me that Colonel Lane had dropped in to say that he had just talked to the Director and told him that he thought that one of his primary missions here could be to determine whether or not there were any "reds" in CIA but that he had been so well impressed with what he had seen in the Security Office that he thought this would no longer be necessary. In general, Colonel Lane indicated that he was well pleased with what he had seen in our Security Office.

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